

TO: Mary Helmers, ND Medical Assistance  
FROM: Greg Lord, MAMES State Chair  
DATE: July 23, 2007  
SUBJECT: ND MAMES Providers Questions for ND Medical Assistance

IN ATTENDANCE: Jody Anderson (Altru Home Services), Pamela Pfaff (GPRS), Kevin Holzer (GPRS), Gloria Johnson (MedEquip One), Mitch Everson (MedQuest), Greg Lord (GPRS), Barb Stockert (HCA), Russ Nylander (HCA), Cami Havelka (St. Josephs/MedQuest), Eric Elkins, Karen Tescher, Dan Johnson, Julie Johnson, Barb Koch and Mary Helmers (Medical Services)

NEXT MEETING: November 14, 2007 @1:00 PM Medical Services, Conference Room D

These questions are compiled & edited by Greg Lord of Great Plains Rehabilitation Services, 701-530-4000. Members from the ND MAMES task force submitted these questions and will meet NDMA at the North Dakota State Capital in Bismarck at 1:00 pm, Wednesday, August 1, 2007.

1. FOLLOW-UP ON PAYMENT DISCUSSION, LABOR

A previous question was presented to ND Medical Assistance (NDMA) regarding payment for labor on patient owned equipment. The original decision was not to pay for this service. NDMA asked for documentation to show that this is a covered item with Medicare. This was submitted to NDMA for review. Has there been reconsideration for this coverage?

RESPONSE: Medicare news document dated May 2007 titled 'Changes in Maintenance and Servicing' states:

DISCUSSION: This question from the providers was regarding labor only issues and not maintenance and servicing. Providers voiced concern about not allowing labor coverage when no parts are billed. The labor only issue would be, in most cases, related to wheelchair repairs that the recipient nor the caregiver would be able to perform the repair themselves. The Providers will create a recommended policy for labor only coverage and this policy will be presented to the Claims Policy Staff.

## Changes in Maintenance and Servicing

NAS is receiving claims incorrectly billed for maintenance and servicing. Under the Deficit Reduction Act of 2005, payment methods for maintenance and servicing for both capped rental items and oxygen equipment have changed.

The title for equipment under the **capped rental category** will transfer to the patient after 13 months when the first rental month occurs on or after January 1, 2006. **Payment will no longer be made every six months for maintenance and servicing.** Once the patient owns the equipment, however, Medicare will cover reasonable and necessary repairs and servicing.

Effective January 1, 2006, Medicare will pay for oxygen equipment for 36 months. After the 36th month, the beneficiary will own the equipment. For beneficiaries receiving oxygen equipment on or before December 31, 2006, the 36-month rental period begins on January 1, 2006. **Payment may be made for maintenance and servicing of oxygen equipment every six months, beginning six months after the beneficiary owns the equipment.**

Suppliers should check their automated billing systems to ensure that maintenance and servicing charges are not being billed incorrectly. Complete information on this change can be found in [MLN Matters 5461](#).

Labor only charges are not allowed unless parts are also billed. Exception to this rule is labor for growth adjustments to PWC's and standing frames or labor for electrical work for PWC. Written explanation for labor only must be documented on the PA or the PA will be denied.

## 2. FOLLOW-UP ON PAYMENT DISCUSSION, ADULT & SPECIALTY DIAPER

Previously, a number of examples were submitted to ND Medical Assistance regarding HME Providers adult & specialty diaper costs. The data was presented before the last ND Legislative Session in the spring. NDMA has agreed to review the data to determine if additional payment could be made. In many cases, HME Providers expenditures are more than the NDMA reimbursement. NDMA has also agreed to look at the MN Medical Assistance's payment floor and guidelines. Have there been any coverage changes? Will you provide ND HME Providers an update?

**RESPONSE:** The review of diaper reimbursement was put on hold during the Legislative Session as this issue was on their agenda. NDMA will again take another look at reimbursement and monthly quantity limits but remember we must stay budget neutral.

**DISCUSSION:** Providers would like Medicaid to consider adding T codes to the fee schedule. Will take this issue into consideration.

## 3. POWER MOBILITY, BUNDLING CHARGES

HME Providers need definition/explanation of ND Medical Assistance "bundling of charges on power mobility". It seems NDMA picks & chooses whether to use/not use Medicare guidelines. Also, it seems NDMA uses Medicare's guidelines for children on power mobility.

**RESPONSE:** NDMA has been following Medicare guidelines regarding bundling of charges for power mobility. We have had only one provider challenge the bundling of charges and that was a misunderstanding that I had of the current policy. If an item on a prior has been denied as included in the bundle and you do not feel this is accurate please challenge the denial and ask for reconsideration. Documentation must be provided to support your request.

**DISCUSSION:** Explained to the providers that if they do not agree with the denial of an item as included in the bundling then they should challenge by asking for reconsideration and provide the necessary documentation to support the request. Discussed the need to submit a new Technology/Procedure form (SFN 905) if they want ND Medicaid to consider adding an item to the fee schedule. (Example: Tilt/Recline system)

## 4. NEW CONCENTRATORS, TRIAL PERIOD PAYMENT

ND Medical Assistance requires that HME Providers provide ND Medical Assistance beneficiaries new concentrators after the three month trial period. NDMA pays HME Providers \$280 per month for the trial (if the trial does not work). However, if NDMA decides to purchase the concentrator, NDMA will not reimburse anything for the three month trial period. NDMA reimburses HME Providers \$750 for the purchase of the concentrator (barely enough to cover the cost of the capital requisition of the product). Also, ND Medical Assistance requests that the concentrator be a "new" unit after the trial period. This is a capital equipment purchasing dilemma for HME Providers. Also, oxygen set-ups are a laborious process with delivery & mileage, assessment, and education, provided to the NDMA beneficiary by a qualified ND Registered Respiratory Therapist or Nurse. Many patients require many follow-up assessment & educational sessions. How can NDMA expect HME Providers to provide this service to NDMA beneficiaries when HME Providers are barely reimbursed the cost of the concentrator? This reimbursement policy is abhorrently inequitable to HME Providers to use their therapist's time, delivery and mileage and capital product investment to completely fund a trial period. Is there any other ND healthcare entity that provides NDMA beneficiaries products & services for three months with absolutely no reimbursement?

Will NDMA pay for the trial period? Will NDMA pay for the therapy time, delivery & mileage, set-up costs and other overhead costs involved in providing these services?

**RESPONSE:** NDMA does not require a trial period for concentrators. If coverage criteria are met, the recipient will be approved for a 12 month rental period at which time a new PA is required. The unit is considered recipient owned after 36 months of rental. Please provide policy documentation to support the statement made above.

**DISCUSSION:** Question withdrawn. Provider needs to check with his billing staff if they are familiar with NDMA policy regarding Oxygen.

#### 5. PRIOR AUTHORIZATIONS ON SIX POINT PLAN MAINTENANCE

A ND HME Provider has a few rental chairs that are still renting through Medicare as the patient chose the rental option prior to the new guidelines coming into effect. Medicare is still paying on these chairs for the six point maintenance. With the non payment of all secondary's through NDMA the coinsurance for these charges have not been paid and now require a prior authorization. We priored one and received a denial. The HME Provider called NDMA and was told that NDMA does not pay for Medicare's six point maintenance but only pay when the chair is actually repaired. NDMA has always paid for this in the past. Why the change? When did it occur? When did ND HME Providers receive notice of the change?

**RESPONSE:** NDMA does not pay service and maintenance for rental items or capped rental items. Service and maintenance is only allowed on oxygen equipment and is allowed every 6 mos. beginning six months after the recipient owns the equipment. Medicaid will cover reasonable and necessary repairs and servicing on capped rental items but will not cover every six months maintenance and servicing.

If we have paid for this in the past it was likely before our system was HIPAA compliant and crossover claims went directly to pay which should not have occurred and we will not be recouping any monies.

**DISCUSSION:** NDMA does not pay maintenance and service for rental items as this is calculated into the reimbursement. If we have paid in the past it was most likely on cross over claims before the system was HIPAA compliant.

#### 6. PRIOR AUTHORIZATIONS AND SECONDARY CLAIMS

Why is ND Medical Assistance requiring prior authorizations for secondary payments? The beneficiary has already met the criteria as established by the primary payor. The purpose of the secondary payor is to be a supplemental payment process only...a secondary payment source for those dollars not covered by the primary after the beneficiaries' qualification. Is there any other state in the U.S. requiring secondary prior authorizations? A secondary qualification does not/should not play into the approval or denial of a secondary claim, only determined on the approval or denial of the primary payors reimbursement requirements. What does NDMA site as their legal authority to do this?

RESPONSE: 42 CFR Ch. IV 456.3 Statewide surveillance and utilization control program.

The Medicaid agency must implement a statewide surveillance and utilization control program that\_

- a. Safeguards against unnecessary or inappropriate use of Medicaid services and against excess payment;
- b. Assesses the quality of those services;
- c. Provides for the control of the utilization of all services provided under the plan in accordance with subpart B of this part; and
- d. Provides for the control of the utilization of inpatient services in accordance with subparts C through I of this part.

DISCUSSION: Providers understand the need for utilization review but it creates so much paper work. Providers can request that Medicare not automatically cross over claims to NDMA. Pamela Pfaff, Great Plains Rehab, made a comment that Medicare will deny claims with a CO when they have reached the capped rental period and that this may be a way for NDMA to determine when the rental period has been capped rather than requiring PA. This would help the providers significantly with cross over claims for rental items. NDMA will need to research this suggestion and will report back to the Providers at the next scheduled meeting.

#### 7. SUSPENSE LIST, TIMELY PROCESSING OF SECONDARY CLAIMS

ND Medical Assistance claims processing has reached record days outstanding in 100% of HME Providers polled. What is the current status of the ND Medical Assistance suspense list? How many claims have been removed? How many claims have been added? Is it possible that HME Providers receive a monthly "report card?"

RESPONSE: NDMA is experiencing a backlog of eight to ten weeks currently. Providers can call Provider Relations at 328-4030 and ask for a 'Suspense List' for their provider number. This list will have all of the claims listed that are currently suspended in our system that will be adjudicated accordingly.

#### OTHER DISCUSSION:

Please refer to the DME fee schedule for items that require prior auth. Unnecessary PA's have been submitted.

No further discussion

When submitting PA for miscellaneous codes, the provider must extend all provider discounts to MA and providers must put the actual invoice cost on the PA. Do not add the 20%. As stated in

the June 2007 minutes, a quote will be allowed but it must show the acquisition cost to the dealer/provider.

No further discussion

Routine service and maintenance policy for patient owned oxygen equipment and ventilators will be added to the DME manual.

No further discussion

As of 7/1/07 providers are required to use the SFN 1115 (7-2006)

No further discussion

June 2007 question regarding billing in the SNF was turned over to the legal department and cont. to be in working status.

No further discussion

When submitting questions for future DME task force meetings, please refer to past minutes to prevent from duplication as duplication will not be addressed.

DISCUSSION: A question can be resubmitted if it continues to be a work in progress.